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NEWSLETTER

AGRICULTURE AND RURAL ECONOMICS DIVISION

ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

July 1985

A NEW DIVISION

AGRICULTURE AND RURAL ECONOMICS DIVISION, Kenneth L. Deavers, Director

- o David L. Brown, Associate Director
- o David Weisblat, Research and Data Coordinator
- o Paul Flaim, Assistant to the Director

AGGREGATE ANALYSIS AND MACROECONOMICS BRANCH, Tom Hady, Chief

- o Macro Economics, Frank Zahn, Head
- o National Aggregate Analysis, Jerry Schluter, Head

AGRICULTURAL HISTORY BRANCH, Wayne Rasmussen, Chief

- o History of Agricultural Policies and Programs, Vivian Wiser, Head
- o History of Food and Farming, Douglas Bowers, Acting Head
- o Reference Center, Vacant, Technical Information Specialist

FARM AND RURAL ECONOMY BRANCH, David Harrington, Chief

- o Agriculture-Community Linkages, Fred Hines, Head
- o Agriculture Labor, Bob Coltrane, Head
- o Farm Family Income, Tom Carlin, Head
- o Farm Structure, Donn Reimund, Head

FINANCE AND TAX BRANCH, Ron Meekhof, Chief

- o Agricultural Finance, Jerry Stam, Head
- o Financial Markets, Pat Sullivan, Head
- o Tax Analysis, Vacant, Head

HUMAN RESOURCES BRANCH, Max Jordan, Chief

- o Income and Well Being, Vacant, Head
- o Population, Calvin Beale, Head
- o Rural Labor Markets, Vacant, Head

RURAL BUSINESS AND GOVERNMENT BRANCH, Vacant, Chief

- o Rural Business and Industry, Vacant, Head
- o State and Local Government, Norman Reid, Head

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From The Director's Office

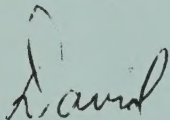
Those of us in the "Old EDD" would like to welcome our new colleagues from National Economics Division into the new Agriculture and Rural Economics Division (ARED). Ken Deavers and I are excited about the important program of work we will be accomplishing together. This work will be carried out through six branches that, taken together, provide an integrated analytical focus on economic, demographic and socioeconomic structure and change in rural and agricultural America.

ARED will continue a strong focus on human and community resources in rural America, but it will further emphasize studies of the rural economy and of the farm sector, linkages between them, and their linkages to macroeconomic developments and policies including tax, credit and employment. This enhanced attention to agriculture is most clearly articulated in the Farm and Rural Economy Branch. This unit joins together studies of the structure and organization of agriculture with work on farm households, farm labor, and linkages between agriculture and other rural industries.

ARED will participate fully in all three of Economic Research Service's functional responsibilities: research, staff analysis and situation and outlook reporting. Staff work is a new ball game for many of us from the "Old EDD," and we have already learned a lot about the process (and the substance) from our new ARED colleagues.

One final change is evident in the new ARED structure. By organizing our work into six branches we have reduced the internal scale of the organization from over 40 per branch in the "Old EDD" to about 25 in ARED. Similarly, the size of sections is smaller in ARED as well. This should permit our line managers to become more directly involved in the substantive work of their units on a day-to-day basis.

Again, I want to welcome everyone into our new Division. I hope you share Ken's and my enthusiasm for the important work we will accomplish together.



DAVID L. BROWN, Associate Director
Agriculture and Rural Economics Division

About Our New Location

The Natural Resource Economics Division, most of the Agriculture and Rural Economics Division, and the Information Division have moved to ERS's new headquarters at 1301 New York Avenue. The remaining ERS divisions and the Office of the Administrator are scheduled to move in July and August. After August 1, the mail room will be in operation and mail can be sent directly to ERS without going through USDA's mail room. For best service, address mail as follows:

Name, Division, and Room Number
Economic Research Service
1301 New York Avenue, NW
Washington, DC 20005-4788

RDP's Doing Well

The third issue of Rural Development Perspectives was published in June. At the end of its first year RDP has over 800 paid subscribers with a circulation of about 3000. Circulation includes ride orders from other USDA agencies and copies GPO sends to depository libraries. RDP executive editor, Beth Walter Honadle welcomes manuscript ideas from ARED researchers, particularly from the newest additions to our staff.

Farmers Who Leave Their Farms

Due to recent concerns over the high rate of economic failure among American farmers, the Economic Development Division in cooperation with the University of Missouri, conducted a survey in a Missouri corn belt county to determine the proportion of farmers who had quit agriculture for economic reasons in the last several years. The major objectives of the study, conducted by Judith and William Hefferman of the Department of Rural Sociology, University of Missouri, were to determine the personal and farming characteristics of these former farmers and to assess the consequences of their departure. A seminar on the results of their research was presented in April.

In January 1985, a county in north central Missouri was selected to be the focus of this study of farm families leaving farming. The county was selected because it was one of the 17 counties in the State which combine to produce 50 percent of Missouri's agricultural products and because it was over 50 miles from a metropolitan area, a distance typically considered to be about the upper range for commuting to off-farm jobs.

Some highlights of this study are:

- o In at least 44 of the 46 families interviewed, the major reason for getting out of farming was financial. Although those interviewed were never directly asked if they had been foreclosed, a significant number volunteered that they had been forced to liquidate by the lender. The

remaining ones got out "while we still have something left." Most of them spoke of continually losing money since 1979.

- o About three-fourths of the families started farming after 1965 and one-half started farming in the 70's or 80's. Nearly three-fifths began farming by renting all of their land and over half began farming with another family member, usually their parents. The median size of farming operation when the farm was the largest was about 500 acres.
- o During the time their operations were the largest, about two-thirds of the farm families indicated they farmed alone and the remaining were included in a partnership. The year they quit, 80 percent were farming alone. During the years when the farm was the largest, the median gross farm sales were about \$65,000. The median gross farm income the last year they farmed was about \$50,000.
- o About nine-tenths of the families indicated they had intended for the farm to provide most of the family's income, but even when the farm was the largest, one-third of the men and one-half of the women earned non-farm income. During the last year of farming, 60 percent of the men and 57 percent of women had a non-farm job. The farm remained the only source of income for a fifth of the families.
- o Ten percent felt they could have kept their farm if they could get a non-farm job, but 50 percent said they could not keep the farm even if they had a non-farm job. Thirty-five percent of the farm families felt they could not have kept the farm even if the wife could have found a full time job. Two-thirds of the women already had a job.
- o More than a third of the farmers identified persons outside the family who encouraged them to expand. Of these, 50 percent reported FmHA encouraged them, 14 percent indicated they were encouraged by their bankers and 14 percent listed Extension Service.
- o Seventy percent could think of assistance that would have helped them to stay in farming. Almost one-fourth of all respondents said they could have stayed in farming if interest rates were lower. Eighteen percent felt FmHA could have been fairer and reorganized their loans. Others discussed the need for high commodity prices and improved agricultural policy. It should be noted, however, that some of the farm families were not bankrupt. They ceased farming because they felt it was financially unsound and they had other sources of income.
- o Over half reported that they continued to live in the same residence even though they had ceased farming. Over one-third of the families do not plan to stay where they are now, or are not certain they will be staying where they are. Three-fifths are reasonably sure they will stay in their current community.
- o Relative to January of 1980, 45 percent of the families feel their financial condition today is "much worse" and 15 percent said "worse." Twenty-eight percent said the financial condition was better. The

families were a little more positive regarding their family's satisfaction with its quality of life. Forty percent said it was better. Many noted that the anxiety and uncertainty over farming was now largely over.

AGGREGATE ANALYSIS AND MACROECONOMICS BRANCH

Branch Responsibilities

This branch has agency responsibilities for conducting aggregate and macroeconomic analyses of the rural economy and the food and fiber sector. Principal concerns include analysis of the effects of macroeconomic policies and general economic developments on agriculture and the rural economy, providing the agency and policy officials with analyses of the general economic outlook, and analyzing relationships among sectors of the rural and national economies, as well as among subsectors of the food and fiber industry.

The View From The Branch

By Tom Hady

When I started writing "The View From the Branch", the view was from the Community Resources Branch and the GHI Building. Now I find myself sitting on a different branch and enjoying a different view.

One different view comes from the move to 1301 New York Avenue. As I mentioned in an earlier Newsletter, I've been through several of these, and that gives me license to pass out a compliment to the "Old EDD" group who moved on June 22. I think you showed your professionalism in the move. Lots of problems came up, but nobody seemed to lose their equanimity and as a result the move went off as smoothly as one could hope.

Second, I'm now enjoying the view from the Aggregate Analysis and Macroeconomics Branch. The view includes a very capable group and a bunch of interesting possibilities for research. More on that view in the future.

AGGREGATE ANALYSIS SECTION

A Visiting Scholar

Mark Henry completed his year as visiting scholar and returned to Clemson University in mid June. In the past year, Henry conducted research on the effect of farm size on the level of linkages between the farm sector and nonfarm sector, the regional and income distributional effects of policy-induced price change, and the measurement of backward and forward linkages in the U.S. food and fiber system.

At the Southern Regional Science Association meeting in May, Mark presented a paper, "Policy Induced Price Changes: Estimates of Regional and Income Distribution Effects," co-authored with Gerald Schluter. Henry and Schluter utilized data from the dairy portion of the 1980 Consumer Expenditure Survey to construct household budgets for nondurable consumer items for six income groups in the U.S. census regions. These budget data were analyzed within an input-output framework for the impacts of changing food price policy on total expenditure for each regional income group. The specific program analyzed, the Farmer Owned Reserve Program, was found to be regressive--lower income groups bear a larger budget share burden of price subsidies. However, the individual consumer unit effect of the program was found to be quite small, ranging from 0.02 percent to 0.19 percent of consumer income.

A second paper by Henry and Schluter co-authored with Agapi Somwaru (NED) and Bill Edmonson, "Some Effects of Farm Size on the Nonfarm Economy" will be presented by Schluter as a contributed paper at the AAEEA meetings in August. In this paper special tabulations of the 1978 Census of Agriculture data by SIC type of farm by income class are restructured into a file compatible with the 1977 national I/O table. A partitioned input-output framework was used to evaluate the impacts on nonfarm sectors of the economy, if U.S. agriculture were composed of fewer medium sized farms and more large farms. With the exception of the dairy sector, total nonfarm output required would be lower to support the same level of farm output produced on large farms (over \$100,000 sales) versus medium sized farms (\$40,000-\$100,000 sales).

Food And Fiber System

Recent staff work by Gerald Schluter, Mark Henry, and William Edmonson provided estimates of the food and fiber system's related share of total business activity in various sectors of the economy and a disaggregation of these estimates into activities related to supporting farm production (backward linkages) and supporting the assembly, processing, and distribution of raw farm commodities for final consumption (forward linkages). This disaggregation procedure involves manipulation of partitioned input/output matrices suggested by Mark Henry. While forward and backward linkages have been part of the profession's nomenclature for some time, this may well be the first specification of forward and backward linkages which are additive to the total business activity generated by a given set of final demands.

For the United States in 1977, backward linkages accounted for 11 percent (about \$80 billion) of nonfarm business activity of the food and fiber system. Forward linkages dominated, accounting for 89 percent (\$626 billion).

MACROECONOMICS SECTION

Using The Wharton Model

David Torgenson and John Kitchen attended in May the Wharton Econometric Quarterly Model meetings in Philadelphia. The strongest criticism of the

Wharton's quarterly forecast was the view of no disruptions in growth in the forecast horizon, and the potential under-forecast of the net export drain.

Torgenson attended the long-term model meeting on the next day and discussed specification of the Administration's tax reform package with Wharton's long-term and Agricultural service group.

John and Dave did a simulation of the macroeconomic effects of the Administration's tax package, using Wharton's long-term model. Gerald Schluter and Mark Henry followed up to estimate the impact on several agricultural variables, including employment. The simulation suggests that the long-term impacts as a whole will be favorable or, at worst, neutral. Domestic demand for farm products would increase slightly, and both GNP originating in agriculture and agricultural employment would be up. However, none of the impacts would be large, and might be easily overwhelmed by Federal Reserve policy.

Exchange Rates and Tight Money

Two of Mark Denbaly's papers have been accepted for presentation at professional meetings.

The first paper "Long-run Exchange Rate Determination and Annual Agricultural Trade Models" will be presented at the AAEA meetings in Ames, Iowa. In this paper Mark accepts the claim that exchange rates are responsible for the poor performance of U.S. agriculture in the world-market in the past five years.

In a rational expectations environment, Mark shows that a theoretically sound equation can be developed to forecast annual exchange rates on the basis of monetary and real sectors of the economy. Furthermore, using a statistical technique (grafted polynomial technique), Mark has estimated the model over both periods of fixed and flexible international monetary systems. The signs and levels of statistical significance are theoretically correct.

Mark's second paper "U.S. Monetary Policy and Coarse Grain Exports", which is to be presented at the IAAE meetings this coming September, will also be published in Volume 4 of the Occasional Paper Series. In this paper Mark examines the argument made by some that sector-specific policy prescriptions should be relinquished. The advocates claim that tight U.S. monetary policy adversely and significantly affect the sector via trade and relative price effects. Using a nonspatial model, Mark incorporates the flexible exchange rate regime and the country-specific trade and domestic pricing policies implicitly. The model is then used to isolate the impact of the U.S. monetary policy on the trading behavior of the world coarse grains trade participants.

The result indicates that because of the export demand and supply elasticities, much of the pricing adjustment is borne by other participants. Furthermore, exchange rates do not influence the U.S. coarse grains exports dramatically. Finally, what seems to be the major determinant is the level of the real economic activity and the income elasticity abroad.

AGRICULTURAL HISTORY BRANCH

Branch Responsibilities

This branch has agency responsibility for serving as the institutional memory of the department and for bringing historical perspectives to bear on current problems relating to agricultural policies and programs and to food and farming. Principal concerns include the history of farm policies and programs, changes in the organization and operations of the Department of Agriculture and its constituent agencies, the impacts over time of policies and programs on rural and farm life, changes in farming, changes in food habits, the history of rural development, and the relationships of natural resource use and agricultural change.

The View From The Branch Office

By Wayne Rasmussen

We have received warm welcomes from the Director's Office and from many of you, but you still might wonder just what we do. Very simply, we have two basic duties: as previously mentioned, we serve as the institutional memory of the Department and we bring historical perspective to bear on current problems.

In carrying out this work, we maintain comprehensive files and indexes--come by and see our files sometime. These, plus research in libraries, the National Archives, and other sources, provide what we need to write staff reports, articles, bulletins and books, and to answer the many letters and telephone calls we receive. We believe that if anyone is interested enough in a subject to write or call, then we should provide a careful and appropriate reply. We also supply information through the reference center, a responsibility of the branch.

In addition to collecting source documents and references, we conduct interviews, some on videotape, with agricultural officials and others. In recent weeks, for example, we have been working in cooperation with Dave Carter of the Information Division to interview past Secretaries of Agriculture, agricultural economists, and others, for a 15-minute film on ERS and the agricultural economics profession for showing at the AAEA 75th Anniversary meeting in Ames.

If you have a historical question or problem, call on us. Thousands do.

HISTORY OF AGRICULTURAL POLICIES AND PROGRAMS SECTION

Let Them Eat Cake

At the June meeting of the Pacific Coast Branch of the American Historical Association, Jane M. Porter discussed two papers and some of the recent

literature regarding the use of food as a weapon. One group of revisionist historians is condemning the United States for such policies, particularly with respect to the Vietnam War. Jane pointed out that the United States in virtually every war which it has fought, has tried to deny food to its enemies. This has been the case throughout world history, from Biblical times to present.

China Pays A Visit

In a recent discussion with a group of top agricultural officials from China, Vivian Wiser and Jane Porter traced the development of agricultural policies in the United States from the turn of the century to the present. The members of the delegation were particularly interested in the fact that farmer participation in most programs was voluntary.

REFERENCE CENTER

Coping With the Move

By Dorothy A Heise

During the last month or more, the Reference and Documentation Center has been preparing in earnest for the move to 1301 New York Avenue. You may have noticed some periods of inconvenience while the collection was being shifted around.

Many meetings have taken place in the last year to ensure that the move will be a smooth one. Plans were drawn which included the addition of 630 linear feet of shelf space and photocopying facilities. Since the library will have its own photocopier, there will be no circulation of materials outside the center. This policy will ensure the availability of research materials at all times. All noisy machines (photocopier, reader-printers, and computer terminals) will be housed in a room apart from the main study area. The Data Service's collection of journals and books will be incorporated into the main collection, as well.

On moving day, the library collection will be loaded onto specially designed book trucks, the stacks will be moved and reassembled at the new location (room B-28), and the collection will be replaced in exact order. Hopefully, our preplanning will pay off in the rapid return to Reference Center services as we plan to reopen within a few days after the move.

FARM AND RURAL ECONOMY BRANCH

Branch Responsibilities

The Farm and Rural Economy Branch is responsible for data development, research, and staff analysis on the structure of the farm sector, the local rural economies, and the linkages between them. Principal areas of concentration include: structure and performance of the farm sector, incomes and well-being of farm families, the farm labor force and its utilization, and linkages between agriculture and the rural economy.

View From The Branch Office

By Dave Harrington

Since the Farm and Rural Economy Branch is still in the midst of determining what it will be doing, and where it will be doing it, it is slightly premature to talk about a view from the branch office. The best we can see at the moment is "through a glass, darkly."

Nevertheless, I would like to describe some work in international comparisons of the structure of agriculture. Awhile back, our Branch and the Western Europe Branch, International Economics Division, proposed a series of scientific exchanges on the structure and performance of the agricultural sectors of West Germany (Federal Republic of Germany), France, and the United States. The purpose of the exchanges were: (1) to gain better mutual understanding of the structure of agriculture in the three countries, (2) to explore possible exchanges of data or joint research on the comparative structure and performance of the agricultural sectors in the three countries, and (3) to explore different methodologies for analysis of the structure and performance of the agricultural sectors in order to improve our analytic methods.

So far, there have been three exchanges, all aimed at initially exploring the first objective--that of improved mutual understanding of the structures of agriculture in the three countries. We are hopeful that future objectives of the exchanges can be accomplished on the basis of the improved understanding of each other's agricultural sectors' research methods, and research responsibilities. The Farm and Rural Economy Branch plans to further pursue these exchanges over the next few years.

FARM STRUCTURE SECTION

Donn Reimund reports that the Farm Structure Section comprises two major projects: Census Liaison and Structural Analysis. The Census Liaison project has agency responsibility for assessing, processing, and analyzing farm profile data from the individual respondent files of the Census of Agriculture for the division and agency. This work is essential to monitoring the sector profile

and the interrelationship of farm structure with other factors, such as productivity, intensity of resource use, and size economies.

The Structural Analysis project is responsible for conducting a program of research and analysis in the area of structure and organization of the U.S. farm sector. The project consolidates and assesses the latest information available on the organization and well-being of the farm sector, and the major size groups and types of farms within it.

Examples of current and recent work of the new section include: a profile of the farm sector in the mid 1980's, which will be the annual report to Congress on the Status of the Family Farm; a study of the organization and importance of large-scale farms; analysis of the impact of population changes on the structure of farming; research into market and related economies of size in crop production; contribution to a regional report on financial structure of the farm sector; a report on the changing role of minifarms (rural residences); and numerous other studies based on Census of Agriculture data. A recent project using other methods implemented Markov analysis to project the structure of agriculture on the basis of historical data.

AGRICULTURE LABOR SECTION

Rural Data Collection Needs

Robert Coltrane testified before the Joint Economic Committee, U.S. Congress, on June 13, 1985. His testimony addressed rural labor force data issues. Senator James Abdnor, South Dakota, chaired the committee. The committee is conducting a series of hearings on the rural economy.

Robert's testimony concluded that the quality of rural data is low because: much of the data collected are not collected frequently enough; much of the data have low levels of statistical reliability because they are based on surveys which do not adequately sample sparsely-settled rural areas; much of the data are not comparable over time; or the definitions of some key labor force terms, especially unemployment, are inadequate for rural areas.

Inadequate data may adversely affect the formulation of rural policy, the evaluation of program implementation, and may impede access of rural communities and rural labor markets to Federal resources for human resource and economic development.

Diversity Amongst Migrant Farmworkers

The most recent issue of Rural Sociology contains an article, "The Migrant Farm Work Force: Differences in Attachment to Farmwork," by Leslie Whitener. This research investigates the extent of diversity within the migrant farm work force by examining differences in migrants' attachment to farmwork.

Study results indicate that there are three distinct groups of migrants with differing levels of dependence on agriculture that vary significantly in terms

of earnings, economic well-being, employment characteristics, and demographic attributes. A discriminant analysis procedure shows that age, minority status, and region are important distinguishing variables, along with dependency on farm earnings and total earnings.

The analysis suggests that some farm labor policies and programs need to be directed specifically toward the educationally and economically disadvantaged migrants who are strongly attached to farmwork, while other policies should be aimed at all migrants, regardless of their level of attachment to farmwork. Because of the diversity within the migrant farm work force, farm labor policies and programs may have a differential impact on migrant farmworkers. Diversity among migrant farmworkers should, therefore, be an important program and policy consideration.

FARM FAMILY INCOME SECTION

Employment Expansion and Income

Don Larson has completed an analysis of a 10-county Georgia area to study how employment growth affects household income status and poverty. This study was located in south Georgia and included these counties: Berrien, Brooks, Colquitt, Cook, Echols, Grady, Lanier, Lowndes, Thomas, and Tift. These counties combined had a relatively large commercial agricultural sector, with the private service-producing sector being one of the largest employers. This area had a sizeable minority population that equalled 31 percent of the total.

The hypothesis that employment growth affects household income status was examined in two phases using only the sampled continuous resident households. The first phase involved a multiple regression analysis to identify those factors that best explain changes in household income status. The second was a tabular analysis showing the distributional consequences regarding those factors that explain changes in household income status. The sample households were comprised of three groups--newly formed, newer resident, and continuous resident. The analysis, focused on the latter group because they frequently are the focus of debates about rural development policy.

Some preliminary major findings, based on the continuous resident households sample are:

- o The majority of households, about 64 percent, had little or no change in their relative income status between 1976-81.
- o About 48 percent had a stable employment history, and another 20 percent had no employed household member in both years 1976-1981.
- o Some households exhibited changes counter to expectation regarding the area's employment growth. For example, 12 percent of the households reported a decline in number of employed household members and another 14 percent reduced the total hours worked between 1976-81. These two groups of households experienced significant declines in their income status.

- o None of the employer characteristics were significantly associated with explaining changes in income status. Few linked (employed) workers changed employers between 1976-81, and the linked households were widely scattered among the different employers. Thus, these factors made it unlikely that variations among the area's sampled employers can explain changes in income status.
- o The overall level of poverty was not significantly altered over the 5-year period.

While changes in employment are important in explaining changes in household income status it is extremely unlikely that "all" households will benefit from overall employment expansion. Understanding the relationship between employment growth and relative income status is important given that many government programs use relative income as an indicator of need for public attention.

AGRICULTURE AND COMMUNITY LINKAGES SECTION

Bernal Green and Tom Carlin in a recently released ERS Staff Report AGES850429 "Agricultural Policy, Rural Counties, and Political Geography," delineated the Nation's 702 rural counties that depend on farming for at least 20 percent of their income and employment. Furthermore, 207 of these "farming-dependent" counties receive the highest per capita farm payments (Federal outlays) and are classified "most dependent". These farming-dependent counties are likely to be most affected by major changes in price and income support policies.

The report states that changes in Federal support for farming have potential political effects. There are 46 U.S. congressional districts, about 11 percent of the 435 districts in the United States, in which farming-dependent counties constitute a third or more of total counties within the districts. Farming issues likely are high on the agenda of representatives from these districts compared with those from urban areas or from rural areas where farming is not a major part of the local economy. These 46 congressional districts are located in parts of 23 States, concentrated largely in the western Corn Belt and Great Plains.

Bernal advises that those teaching farm policy courses or doing Cooperative Extension work will find this report and the following ERS reports most useful:

- o "The Current Financial Condition of Farmers and Farm Lenders," AIB No. 490, March 1985.
- o "Possible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Supports," AER No. 526, January 1985.
- o "Agriculture in the Future: An Outlook for the 1980's and Beyond," AIB No. 484, December 1984.

FINANCE AND TAX BRANCH

Branch Responsibilities

The branch is responsible for conducting research and analyzing issues related to financial developments in rural areas. Major areas emphasized include factors affecting the flow of funds to rural financial institutions and their impact on rural economic development, public credit assistance programs for rural housing and farming, and Federal tax policies particularly those relating to agriculture.

From The Branch Office

By Ron Meekhof

Our Branch has had a fairly steady stream of requests for staff analysis, special briefings, and controlled correspondence. Much of the emphasis in the second quarter has been on analyzing the implications of tax reform for the Office of the Secretary. By my count there have been 15 staff analysis requests in the tax area alone, ranging from prepared testimony to Q&A's, mostly in the past 2 months. Members of the Branch have received letters of commendation and other expressions of appreciation for their work in a very demanding situation. Keys to the success of this effort have been: critical mass of research and support personnel; keeping the essential message to the basics; using technical information as background (anticipating follow-ups); and, cooperation, including standing clear when experienced staff are at work. So, the success of this effort can in part, be attributed to the line management that happened to be either on travel, occupied with other matters, or who chose to stand clear.

Credit policy has also been a front-burner issue, more so several months ago than currently. The issue of Federal credit assistance to financially-stressed farmers and farm lenders will reappear though as other issues on the legislative agenda are resolved. What to do in the long run has grown in importance, but reaching a final solution faces many of the same obstacles that short-term proposals faced--agreement on the eligibility standards, consistency with other programs and policy objectives, agreement on distribution of benefits, equity, low/no cost to treasury, etc. Only recently have researchers working part-time in credit policy been able to conduct some serious research on credit policy options. A short-term operating credit program is being evaluated and thorough evaluation of the Agricultural Credit Corporation type of option has been prepared. More analysis is needed for us to meet the information needs of our clientele as the effects of a depressed economy spread to agri-businesses, agricultural lenders, and potentially to State and local governments. Anticipating these needs as FY 86 work plans are prepared will be a challenge.

Tom Hady pointed out in the last issue of the Newsletter that we have made much progress in educating others to nonfarming economic activity in rural areas, but that challenges remain--in relating to those other activities. I think it

will take some time for that message to be fully reflected in what we do as a Division. The new folks in Finance and Tax look forward to being a part of helping that effort come about.

Financial Policies for Agriculture

The Department of Agricultural Economics, University of Illinois at Urbana-Champaign sponsored a conference entitled "Financial Policies and Future Directions for Agriculture." The conference held in Champaign, April 1-3, was tailored to lenders in agricultural lending in Illinois and neighboring States. The seminar focussed on economic and financial issues affecting the farm sector, current developments in financial markets, prospects for credit assistance, and international finance issues.

Ron Meekhof presented a paper entitled "Public Credit Programs in a Changing Environment." The paper discussed challenges in formulating public credit policies for the farming sector and types of policies that may address those challenges. Major challenges include consistency with other farm programs, eligibility, cost sharing, and allowing resource adjustments to take place.

The major points of the paper include the following:

- o The Federal agricultural credit policies put in place earlier in this century were a necessary response to the economic and social circumstances of those times and made important contributions to the modernization of agriculture and to higher standards of living for the entire U.S. population.
- o However, improvements in rural economic conditions and in farm credit markets have greatly eroded the premises for subsidized Federal credit assistance to farmers. The farming sector now has unlimited access to national financial markets and the problem of rural poverty and social disenfranchisement have been greatly alleviated.
- o Subsidized credit enables more resources to enter the sector than would otherwise occur and also raises the price of those resources. Land, farm structures, and farm equipment are influenced most. The current financial crisis in the sector reflects the magnitude of the resource misallocation.
- o The over-investment in land and capital equipment which results from underpriced credit distorts the sector's ability to respond to economic fluctuations. But it is only one of several factors contributing to this condition. Credit, tax, and commodity policy represent a volatile mix of incentives and subsidies that has worsened the balance sheet and capacity adjustment problems faced by farmers.

The major conclusions were:

- o A piecemeal approach won't cut the mustard. Any significant change in credit policy would have to be accompanied by changes in tax and commodity policies. Credit assistance, without changes to tax and

commodity policy will only add to the volatile mix of incentives already present.

- o Any proposal which freezes the current allocation of resources or the value of those resources will likely be found too costly given the magnitude of excess resources in the sector.
- o We need to know what the equilibrium for the sector looks like and how credit assistance contributes to the sector's transition to that position.
- o Private sector involvement is critical. It will be necessary to spread the risks and the cost.
- o Credit assistance must be changed from being an ex post risk management option to an ex ante policy.

GAO Prepared Analysis Of Farm Crisis

The General Accounting Office is preparing a report describing the causes and incidence of financial stress in agriculture. Their analysis, which is currently at a preliminary stage, will be submitted to Congress later in 1985.

Ron Meekhof was asked to serve on an advisory panel that would provide review of analysis thus far and guidance for future work. Other members of the panel were Emil Melichar (Federal Reserve), Weldon Barton (Independent Bankers Association), Ken Arrer (Farm Credit Council), John Schmittker (Consultant), and Neil Harl (Iowa State University). The panel was in general agreement as to the causes of farm stress and had little to add to the GAO presentation in that area. There was much disagreement about the severity of the problem for farmers and lenders and what if anything to do about it.

FINANCIAL MARKETS SECTION

Deregulation Forms

Members of the section attended a seminar in May entitled "Will Rural Economies Harvest Big Banks? Community Economic Development in the Wake of Banking Deregulation," sponsored by the National Association of Towns and Townships. Speakers described the various forms that deregulation has taken to date and presented their views as to what might and/or should be done in the future. Price deregulation (removing restrictions on interest rates and other deposit terms) is nearly complete, but product deregulation (allowing banks to offer additional financial services) and geographic deregulation (permitting banks to operate offices in other States) remain open questions in spite of rapid change. Some speakers favor more flexibility for banks in these areas to better meet the challenge from other financial institutions, but others argue for new regulations to at least slow down the rate of change.

TAX ANALYSIS SECTION

Productive Teamwork

James Hrubovcak and Michael LeBlanc (Battelle Pacific Northwest Laboratories) have recently published a Technical Bulletin (1699) titled "Tax Policy and Agricultural Investment." The report concluded that tax policies between 1956 and 1978 stimulated investment in agriculture equipment by more than \$5 billion and net investment in agricultural structures by more than \$1 billion (1977 dollars). The study also concluded that the investment tax credit has probably been the most effective tool in stimulating investment in agricultural assets.

LeBlanc and Hrubovcak have also had a paper accepted for publication in Agricultural Economics Research entitled "The Effects of Interest Rates on Agricultural Machinery Investment." In this report three general conclusions are drawn from the analysis. First, changes in interest rates have a minor direct effect on the optimal level of agricultural machinery. Second, although the interest rate has little effect on the optimal level of machinery, it does affect investment by altering the rate of adjustment. Third, the ratio of machinery to output price has a significant effect on the adjustment rate.

Redistributing The Tax Burden

On June 18, 1985, Ron Durst and John Kitchen (AAM) presented a seminar on the effects of the Administration's tax proposal on agriculture. The impact of changes in individual tax rates, corporate tax rates, investment tax credit and depreciation, development expenditures, and other provisions, on agriculture were discussed.

Overall, the long-term impacts of the President's tax proposal on the farm sector as a whole would be favorable. However, there would be a redistribution of tax burden within the sector. Livestock and timber producers would be disproportionately represented among those whose tax burdens will increase. Developers of orchards and vineyards are also likely to pay higher taxes. Also, those farm and nonfarm investors who have made extensive use of preferential provisions will find their ability to shelter income reduced.

More About Taxes

On May 29, 1985, Secretary of Agriculture Block held a press conference on the Administration's tax reform proposal and its impact on the agricultural sector. The Administration's proposal would benefit most family farmers by lowering tax rates, increasing personal exemptions, and reducing incentives for tax shelter investment in agriculture. However, most farmers would pay higher Social Security taxes under the Administration's plan. Orchards, vineyards, and livestock farms would be affected more by the plan than other agricultural enterprises. The material for the press conference and press release was prepared by Ron Durst, Abby Fromang-Milon, Ron Jeremias, and James Hrubovcak.

AGRICULTURE FINANCE SECTION

Meetings Attended

Jerry Stam attended a conference on Bank Structure and Competition in Chicago on May 2-3. The conference, sponsored by the Federal Reserve Bank of Chicago, had approximately 330 participants including academics, regulators, bankers, and other interested parties. Major topics in the program included deregulation, dual standards in safety and soundness regulations (capital adequacy, Federal Deposit Insurance), problems facing rural and agricultural banks, changing views on bank safety and soundness regulations, issues in financial disclosure, and determination of bank failures.

-and-

Jerry and Ken Erickson (NED) attended a meeting of the American Bankers Association (ABA) on May 6 to work on the 1985 ABA Farm Credit Situation Survey that will be sent to approximately 2400 member banks in July. ERS has been a user of some of the survey data in the annual Agricultural Finance Outlook publication and elsewhere. ABA is undertaking a substantial revision of the questionnaire this year.

HUMAN RESOURCES BRANCH

Branch Responsibilities

The Human Resources Branch is responsible for the conduct of research which will provide information supporting the design of policies and programs that will improve the living conditions and opportunities for advancement of all people living beyond the major metropolitan centers. More specifically, the Branch is concerned with the geographic distribution, socioeconomic composition, employment, and living conditions of people in rural areas of the United States.

View From the Branch

By Max Jordan

Since our Branch was asked to coordinate the move of the "Old EDD" units to New York Avenue, it seems appropriate for me to thank all those who moved for their cooperative attitude and willingness to help with various tasks. I especially thank my secretary, Blenda Gately, for the weeks of extra work in handling many aspects of our assignment. Those who served as monitors during the move weekend also deserve special thanks. They worked overtime-hours or donated time to insure that we could accomplish the move with as little disruption as possible (any move is disruptive). The monitors were: Ken Deavers, David Brown, Gwen Coleman, Tom Hady, Max Jordan, Tom Carlin, Calvin Beale, Blenda

Gately, Sharon Jones, Donna McGuinn, Lorrie Bodle, Barbara Burns, Norman Reid, Pat Sullivan, Fred Hines, Rob Munoz and James Schaub.

POPULATION SECTION

Women In Farming

USDA's "Down to Earth" television series recently interviewed Judy Kalbacher. The show centered on Judy's ongoing research of women farmers. Judy reported that about 122 thousand farms, or 5.4 percent of the national total, are solely or primarily operated by women. This represents an 8 percent increase since 1978.

Vera Reports That:

- o The Bureau of the Census recently issued a 1980 Census of Population Supplemental Report, "Rural and Farm Population by Current (1980) and Previous (1970) Farm Definitions, for States and Counties: 1980." Copies are available from Vera Banks, Population Section, while the supply lasts.
- o The Office of Management and Budget announced that as of June 30, 1985, there are three new Metropolitan Statistical Areas (MSAs). They are CHEYENNE, WY (Laramie County), JACKSON, TN (Madison County), and RAPID CITY, SD (Pennington County).

The Rural Elderly

Calvin Beale and Nina Glasgow attended the annual conference of the National Council on the Aging held in San Francisco, April 21-24. The conveners of this year's meeting scheduled a rural mini-conference. The conference was geared to advocates for rural older people, aging service planners and providers, as well as educators and researchers. In addition to several concurrent sessions on specific topics, the mini-conference addressed broad social and economic issues, such as the changing character of rural older people, specific needs of rural older women, economic disparities, representation of rural constituencies, and rural value systems. Calvin's keynote address enlightened participants of demographic and economic trends of the rural older population. A major concern of the mini-conference was keeping the rural perspective before legislators during budget debates when proposals and amendments to laws affecting older citizens are before Congress.

INCOME AND WELL BEING SECTION

Try To Escape Poverty

Robert Hoppe reports in "Economic Structure and Change in Persistently Low-Income Nonmetro Counties in the Seventies" that some nonmetro areas, largely in the South, remained as severely depressed during the seventies as they had been for decades, despite nonmetro America's general economic gains during the period. These counties differed from other counties in population characteristics, economic structure, and farm structure.

However, some severely depressed counties improved their incomes in the seventies, primarily through nonfarm industries such as services and manufacturing. Mining also provided a large share of the growth in some of the counties with the largest income improvements. Farming helped some counties, but farm income has been too erratic recently to be reliable.

Nothing guarantees a county's escape from low-income status. Some counties that escaped earlier in the decade returned to low-income status by 1979.

The report will be released in August as a Rural Development Research Report.

RURAL LABOR MARKETS SECTION

School and Sex

Jim Schaub presented a paper on the distributional effects of nonmetropolitan employment growth at the annual Southern Regional Sciences Association meeting in Washington, May 9-11. Schaub's paper, "Factors Affecting Who Participates in Rural Job Growth," compared the employment outcomes of long-term residents and immigrants, and blacks and whites in 10 south Georgia counties. Wage determination models were also presented which showed that race did not significantly affect wages in professional and managerial occupations and that being an immigrant did not increase wages in any occupation group studied. However, schooling and sex of residents were important variables determining wages.

RURAL BUSINESS AND GOVERNMENT BRANCH

Branch Responsibilities

This branch has agency responsibilities for developing basic data and conducting analyses of community facilities. Principal concerns include rural housing status and condition, rural housing policies and programs, state and local government resources, services and organization, rural industry, energy

use in rural areas, and impacts of federal policies and programs on local areas.

RURAL BUSINESS AND INDUSTRY SECTION

Small Versus Large

Jim Miller travelled to Amherst, Massachusetts in May to attend the Northeast Economic Development Symposium. Jim presented a paper, "Small Business in Rural America: The Best Way to Create Jobs?"

Miller's central point was "if job creation in the nonfarm sector of rural America is the goal of development policy and if small independent businesses are to be targeted by Federal, state and local programs--enterprise zones, umbrella bond financing schemes, State-chartered venture capital corporations and development banks, and incubator facilities--then it is important to examine the stability as well as the quantity of jobs being created."

Using a new source of microdata provided by the Brookings Institution, Jim's summary remarks were:

- o Corporate firms dominate the employment picture in rural areas. Most jobs are already in corporate firms and they generate most new jobs.
- o The small business sector is more important in urban areas. Small independent businesses "incubate" better in urban centers and contribute a larger share of the jobs.
- o Small independent firms were a volatile source of jobs. They created many jobs when new, but high failure rates led to job losses after 5 years.
- o While fewer jobs are created by large independent firms, these jobs nonetheless appear to be more stable after 5 years in operation than those provided either by corporate branches or small independent firms, that is, there were relatively fewer losses due to closings and employment cutbacks.

Finally, Jim suggests that local planners when mapping out an economic development strategy, should consider the advantage of both types of companies--corporate affiliates and independents. Corporate affiliates offer the potential for many jobs and those jobs are generally reliable for a number of years. Small local businesses though they cannot offer as many jobs, do seem more concerned with the community; and older, large independent firms seem more likely than other businesses to keep workers on the job in hard times.

STATE AND LOCAL GOVERNMENT SECTION

International Work Continues

Ken Deavers, Bob Lovan and Norman Reid presented a panel discussion on "Rural Development from an Organization for Economic Cooperation and Development (OECD) Perspective" April 17 at the National Symposium on Local Infrastructure Investment Decisions. Their discussion covered the origins and development of OECD's Rural Public Management Project, the principal changes occurring within rural areas of OECD countries, and some of the resulting challenges to public management in and for rural areas. The symposium was co-sponsored by the Department of Agriculture Economics and Community Resource Development of Virginia Tech University and the Natural Resource and Rural Development Unit of the Extension Service.

-and-

Norman Reid presented a paper on "Financing Regional Infrastructures" at the International Seminar on Financing Regional and Local Development held May 8-9 at Coimbra, Portugal. The seminar was organized by the Coordinating Commission for the Central Region of Portugal in conjunction with the OECD and brought together high- and mid-level Portuguese officials and representatives of other OECD countries. Although ostensibly focused on finances, the meeting's real agenda was Portugal's efforts toward decentralization in government and the institutional capacity needed to implement it. Reid's paper gave considerable attention to these issues in addition to reviewing some options for financing capital facilities.

-and-

On June 3, Robert Lovan began a two-month detail in Paris, France, with the Technical Cooperation Service of OECD. His assignment is to assist in developing plans for research on OECD member countries' capabilities for developing and implementing rural public management programs and policies. The study, which will involve comparative research conducted in several of the OECD countries, is expected to get underway in 1986.

On Sabbatical

Dr. Alvin D. Sokolow, professor of political science with the University of California at Davis, will spend the 1985-86 academic year on sabbatical. He will be affiliated with the State and Local Government Section and the National Association of Towns and Townships' National Center for Small Communities here in Washington, D.C. Al will spend most of his time studying the position of rural governments and their communities in the Federal system. He is interested in how Federal programs of the past 15 years or so have affected rural governments and communities and in an examination of current Federal policy alternatives. He will also continue to study rural government management and leadership and to write two USDA monographs based on the rural

capacity project. The rural capacity project has been a cooperative agreement since FY 1981. AI will join ARED around August 15.

Government Efficiency

Beth Walter Honadle's article, "Alternative Service Delivery Strategies and Improvement of Local Government Productivity," was published in the Winter 1984 issue of Public Productivity Review. In it, Beth discusses three strategies local governments can use to become more efficient: contracting functions to the private sector, interlocal cooperation, and the use of user fees to finance services. She examines the pros and cons of each practice and analyzes survey data collected by the International City Management Association, which suggest that the alternative service delivery method used varies with the type of service being provided.

Congratulations!

On June 12 Beth Walter Honadle was honored by the National Capital Area Chapter of the American Society of Public Administration at an awards ceremony and reception held in the National Academy of Sciences Great Hall. Beth received a special recognition award from the chapter for having successfully managed two annual membership meetings for NCAC-ASPA.

Revenue Effort Drawbacks

Local governments in totally rural areas are twice as likely to have experienced fiscal pressure during the mid-seventies as governments in more urbanized nonmetro areas, so concludes Rick Reeder in a newly published report entitled "Rural Governments: Raising Revenues and Feeling the Pressure" (Rural Development Research Report No. 51).

Basically, the report examines geographic variations in nonmetro "revenue effort". Revenue effort is the percent of local income taken in the form of local taxes and user charges. Some nonmetro areas--especially those in the rural West--experienced high levels of fiscal stress, as indicated by high and rising revenue effort from 1972-77. Totally rural areas nonadjacent to metro areas had the most fiscal pressure. Compared with urbanized nonmetro areas, they were eight times as likely to have very high revenue effort and seven times as likely to have rapidly rising effort. Places with declining population and income had the largest increases in revenue effort.

Revenue effort is often considered as a targeting factor for distributing funds to needy local governments. Although it can be useful for this purpose, the revenue effort factor has some noteworthy drawbacks: (1) it overstates fiscal pressure in areas with high incomes, high tax exporting activities (such as mining), and substantial local government responsibilities, and (2) understates

fiscal pressure in areas with low incomes, in metro-adjacent areas which import taxes, and in areas with little local government responsibilities.

Rural Water Systems

On May 17, Bill Fox (University of Tennessee) gave a seminar summarizing his work to date on measuring water utility efficiency for rural water systems. Working under a cooperative agreement with ARED, Bill and fellow researcher, Richard A. Hofler, developed a method of estimating water system efficiency using a dual-output, homothetic production function and a stochastic, composed error estimating framework.

Tentative empirical findings, based on 176 "usable" observations from the rural water systems in the National Rural Community Facilities Assessment Survey, include: (1) the dual-output approach is an improvement over single output methods because the two outputs (production and distribution of water) are not perfectly correlated; (2) the homothetic function is also an improvement, because scale economies were found to vary with level and type of output; (3) the average water system was about 25% technically inefficient--i.e., it used too many inputs for the output it produced; and (4) public and private systems were found to be equal in their technical inefficiency.

The next step in the analysis is to estimate allocational efficiency, which involved factors other than technology, such as the use of the wrong proportions of inputs to produce output. Fox also suggests future uses of this approach might entail measuring the efficiency of other public goods and services, such as education.

ARED Welcomes New Employees

Denise Beach, clerk-typist, joined the State and Local Government Section of RBG Branch in June. Denise is a summer employee and will attend school this fall.

Susan Bently, a rural sociologist, will be working in the Income and Well Being Section of HR Branch. Susan completed her MS degree at Penn State in January.

Leonard Bloomquist, sociologist, joined the Rural Labor Markets Section of HR Branch in July. Leonard completed his Ph.D at the University of Wisconsin-Madison.

Barbara Burns, a graduate student in Public Administration at Indiana University, joined the State and Local Government Section of RBG Branch in May for a summer internship.

Jane Cox, economist, will be working in the Rural Labor Markets Section of HR Branch. She has a BA degree in economics and international affairs from Mary

Washington College. She previously worked for the U.S. Courts, Administrative Office as a management assistant.

Elizabeth Duncan, secretary to Ron Meekhof, joined the FT Branch in June from the private sector. Elizabeth is a Virginia resident.

David Geiger, sociologist, joined the Population Section of HR Branch as a summer employee in early June. He is a graduate sociology student at the University of Maryland.

William Glynn, agricultural economist, joined the Reference and Documentation Center, AH Branch in late June. Bill was educated at Purdue University where he earned a Master's degree in history and political science and a Master's in agricultural economics.

Oliver Wendell Holmes, agricultural economist, has been an employee of ERS for 31 years and will join the Agriculture-Community Linkages Section of FRE Branch in late August. Wendell has been the Executive Secretary of the Great Plains Council for the past 11 years in Lincoln, Nebraska. He has a Master's degree in agricultural economics from Montana State University.

Mary Killian, sociologist, joined the Rural Labor Markets Section of HR Branch in June. Molly is a Texas native who completed her Ph.D in sociology at the University of Georgia.

James Malley, economist, will join the AAM Branch in August. James went back to the foundations of our science for his education. His Ph.D was awarded July 5th at Adam Smith's old institution, the University of Glasgow. His research analyzed the impacts of foreign direct investment in Scotland.

Ralph Monaco, economist, will join the AAM Branch in August. Ralph completed his Ph.D last year at the University of Maryland with a dissertation on the long run, interindustry effects of monetary policy.

Angeline Nicholas, clerk-typist, joined the State and Local Government Section of RBG Branch in June. She transferred from Natural Resources Economics Division. She is a senior at the University of Maryland majoring in political science.

Christi Nuchols, secretary, joined the Farm Structure Section of FRE Branch in June. Christi has a B.S. degree in animal science and agricultural economics from Virginia Tech (1983).

Shelly Pendleton, sociologist, joined the Rural Labor Markets Section of HR Branch in June and will work on the labor market performance project. Shelly is a Minnesota native, who received her Ph.D in sociology from the University of North Carolina, Chapel Hill, and taught at Wake Forest University.

Denise Raley, clerk-typist, joined the FT Branch in June. Denise is a recent high school graduate and a native of Maryland.

Frank Zahn, economist, will join the AAM Branch in August to be the Section Head for Macroeconomics Section. Frank has a Ph.D from the University of

California-Santa Barbara. He has 15 years of teaching and research experience in macroeconomics.

Best of Luck to Departing Employees

Mary Denoble, secretary to State and Local Government Section, RBG Branch, resigned in June. Mary is expecting her first child in September.

Ted Fuller, agricultural economist, retired in May after 31 years of government service. Ted spent almost his entire career at Penn State University where he researched community development issues, especially for the northeast region. He was in the Rural Business Section of the past Community Resources Branch.

Carol Meeks, economist, resigned from government service in June. Carol was the Section Head of the past Housing Section for 5 years. She is now employed in the Consumer Economics Department of the University of Georgia in Athens.

Performance Awards Presented

Congratulations to:

- * Paul Flaim, a cash award "for outstanding administrative and management support in the Office of the Director."
- * Paul R. Myers, a Quality Within Grade Increase for "steadfast and diligent work relating to research dissemination and coordination for the Economic Development Division."

And Congratulations to:

- * Tom Hady who became a "grandpa" to Charles Richard Beekman III on June 25. Tom is the father of Susan Beekman.

Upcoming Events

July 29-31	The annual meetings of the Community Development Society, Logan, UT.
August 4-7	The annual meetings of the American Agricultural Economics Association and Association of Environmental and Resource Economists, Ames, IA.
August 7-8	The quarterly forecast meetings of Wharton Econometrics, Chicago, IL.
August 21-25	The annual meeting of the Rural Sociological Society, Blacksburg, VA.

August 26- September 4	International Association of Agricultural Economists, Triennial Conference, Malaga, Spain.
September 16,17	The annual meeting of the Agricultural Economics Reference Organization, University of Minnesota, St. Paul, MN.
October 15-17	Cooperative Extension Service Conference, Ohio State University, Columbus, Ohio. The theme of the conference is "Community Economic Development by Retention and Expansion of Existing Businesses."

The Division Was Saddened By:

- o The death of Louise E. Mallardi, which occurred on Saturday, May 11, 1985.
- o The death of Edith Haren, wife of Claude Haren, which occurred on June 28, 1985. Expressions of sympathy may be sent to:

Claude Haren
5055 Greensboro Court
Columbus, Ohio 43220

Special Thanks to:

Mary Haygood for her excellent assistance in the production of this Newsletter.

A Note to Our Readership

Welcome to our new readers. If you need to alter an address, add an address, submit news items or comments, please contact the editor: Paul R. Myers (202) 786-1549, Rm. 328C, ARED/ERS, 1301 New York Avenue, Washington, DC 20005-4788. Our next Newsletter will be published in October.

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